

## **SMT Scharf AG reports significant revenue and earnings growth in the first half of 2021**

- **Group revenue rises to EUR 30.8 million in H1 2021**
- **Operating profit (EBIT) improves to EUR 3.1 million**
- **Continued high order book position of EUR 45.1 million as of the reporting date**
- **FY 2021 forecast raised: consolidated revenue now expected to be in a range between EUR 72 million and EUR 77 million and EBIT between EUR 5 million and EUR 6 million**
- **Tunnel Logistics: “Snowy Mountain 2.0” order drives diversification further ahead**

Hamm, August 13, 2021 – SMT Scharf AG (WKN 575198, ISIN DE0005751986), one of the world's leading suppliers of customised transport solutions and logistics systems for underground mining, reports consolidated revenue growth of 30.5% to EUR 30.8 million in the first six months of this fiscal year (H1 / 2020: EUR 23.6 million). Profit from operating activities (EBIT) increased to EUR 3.1 million (H1 / 2020: EUR -1.8 million), thereby already recorded ahead of the originally EBIT forecast of EUR 2.5 million to EUR 3.0 million. Due to an order in China that has not yet been fully executed, final revenue and earnings figures deviate slightly from the announced preliminary figures for consolidated revenue and EBIT. The significant revenue and earnings growth is mainly attributable to a recovery in the new equipment business, as well as the highly profitable after-sales business in the Group's target markets, despite COVID-19-related restrictions. Consolidated net income for the first six months of 2021 amounted to EUR 3.6 million (H1 / 2020: EUR -1.5 million).

Hans Joachim Theiss, CEO of SMT Scharf AG, notes: “Despite continued restrictions due to the pandemic, the second quarter showed an upturn in both new equipment and after-sales business in mining markets worldwide. Overall, this led to significant revenue and earnings growth in the first half of the year, and we even exceeded our earnings expectations. The order book position remains at a record level, as China III machines that have already been delivered could not yet be recognised as revenue in accordance with IAS 18. We still expect to receive final approval for the new generation of machines before the end of the third quarter.”

In the first half of 2021, positive revenue growth was recorded in both the new equipment as well as the spare parts and service businesses. SMT Scharf's new equipment business grew its revenue by 23.0% from EUR 11.3 million in the same period of the previous year to EUR 13.9 million. In the spare parts and service business, revenue also reflected a significant increase of 35.2% to EUR 16.5 million (H1 / 2020: EUR 12.2 million). The company also posted growth in its “Others” division, generating revenue of EUR 0.4 million (H1 / 2020: EUR 0.1 million).

By region, revenue in China performed very positively in the first half of 2021 and, at EUR 8.1 million, stood 22.7% higher than the level figure for the previous year (H1 / 2020: EUR 6.6 million). Thanks to this growth, China once again ranks as SMT Scharf's most

important foreign market. Further growth potential is offered there after final approval of the machines in accordance with the China III standard, which has been mandatory for Chinese mining companies since this year. Russia recorded an 18.8% decrease in revenue to EUR 6.9 million in H1 / 2021 (H1 / 2020: EUR 8.5 million), reflecting lower revenue from legacy projects in the reporting period. In Poland, by contrast, revenue reported a marked increase to EUR 3.9 million compared to EUR 2.5 million in the first half of 2020. Significant revenue growth to EUR 7.0 million was also recorded in the African market (H1 / 2020: EUR 1.0 million). Revenue in Germany remained constant at EUR 1.0 million in the reporting period (H1 / 2020: EUR 1.0 million).

In the first six months of 2021, the SMT Scharf Group's new order intake amounted to EUR 39.3 million, up on the previous year's level of EUR 31.4 million. The order book position stood at EUR 45.1 million as of June 30, 2021, reflecting the ongoing approval issue for China III machines.

In addition, SMT Scharf has meanwhile acquired a EUR 2.7 million order for its Tunnel Logistics division for the major state energy project "Snowy Mountain 2.0", which represents an important step towards expanding its business with tunnel logistics for major construction sites to form a further key business pillar.

"We are pleased that the order awarded to us as part of the Australian government's Snowy Mountain 2.0 energy project is contributing to the ongoing diversification of our business. It also gives us further tailwind for the second half of the year. With regard to the full 2021 year, we expect the forecast global upturn to continue to have positive effects on the global mining equipment market, and we also anticipate significant subsequent recognition of revenue and earnings from the China III approval expected in the near future."

Thanks to the positive business growth in the first half of the year, SMT Scharf has raised its forecast for the full 2021 fiscal year and is now forecasting consolidated revenue in a range between EUR 72 million and EUR 77 million and EBIT in a range between EUR 5 million and EUR 6 million.

The complete report for the first half of 2021 will be published during the course of today within the Investor Relations area of [www.smtscharf.de](http://www.smtscharf.de).

### Company profile

The SMT Scharf Group develops, manufactures and services transportation equipment for underground mining as well as for tunnel construction. Its main products include captivated railway systems that are deployed worldwide, primarily in hard coal mines, as well as in mines for gold, platinum and other metals. Such systems are required in order to transport material and personnel with payloads of up to 48 tonnes and on gradients of up to 30 degrees. In addition, SMT Scharf supplies the mining sector with chairlifts. Since 2018, SMT Scharf's diverse portfolio has also included rubber-wheeled diesel and electric vehicles for mining and tunnelling, including loaders, scissor lifts and underground trucks. As part of the further diversification of the business, the product range has been successfully expanded since 2019 to include electronic components and control systems for mining and other industries. Overall, the SMT Scharf Group is active with subsidiaries in eight countries, as well as commercial

agencies worldwide. SMT Scharf generates a large share of its revenue in growing foreign markets such as China, Russia, Poland and South Africa.

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